

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:06 a.m., with the time to be controlled by the majority leader or his designee.

The Senator from Massachusetts is recognized.

COLLEGE LOANS AND THE COST OF HIGHER EDUCATION

Mr. KENNEDY. Mr. President, I want to bring to the attention of the Senate and the American people one of the great challenges this country is facing again, and the failure of the Bush administration to respond to this challenge, and that is the cost of higher education. I don't think there is anyone or any family who is watching the U.S. Senate this morning who isn't concerned about what the cost is for higher education—for their children, who are in college at the present time, or parents whose children have gone to college and endured the debt.

It is absolutely extraordinary to me, at this time of real crisis, in terms of availability of college for working, middle-income families that the Bush administration has now suggested a way that will make the cost of college education even higher and the debts even deeper. I draw again to the attention of the Senate this AP story from last week, where the White House suggested \$5.2 billion in savings from Federal student loans.

White House Budget Director Mitch Daniels proposed savings to House Speaker DENNIS HASTERT. Among Daniels' proposed savings is to require college students and graduates who wish to consolidate their Government-backed education to use variable interest rates. That means that the Bush administration is saying to college students, rather than being able to take advantage of the low-interest rates at the present time, they will have to take their chances on the variable interest rates.

What is that going to cost for the average student and the average family? The average family in this country who borrows ends up with a \$17,000 debt. In my State, it is about \$23,000 or \$24,000. The best estimate is that it is going to cost that family at least \$3,000; if it is going to be over a 30-year period, it will be an additional \$10,000. Do families understand this proposal of the Bush administration?

Now, we are, as Democrats, extraordinarily concerned. We have sent a letter to the administration. Our committee, the Education Committee, has invited Mr. Daniels to testify on this

particular issue, so that we can better understand what the reasons and the rationale are—other than that the Federal Government can effectively take back that money from the students and use it for the tax cut for the wealthiest individuals. This is a tax increase on working families that are going to school.

Now what has been the administration's response? The Democrats are virtually unanimous. There are 46 of our Democratic colleagues who have said they will stand in the way and will not permit it. We will have a legislative fix, and we will not permit it. We are telling the administration that.

What has been the reaction of the administration? If we look at the reaction of the administration, according to Deputy Education Secretary William Hansen, they yesterday dismissed the Democratic criticism as incredibly disingenuous.

It is not the Democrats who are disingenuous. It is the Bush administration's proposal to raise the cost of going to higher education.

Is this something that we say is the cost of higher education? I refer again to a story that is in the New York Times—and there is a similar story in the Washington Post this morning—“Greater Share of Income is Committed to Education.”

Poor and middle class families have had to use a steadily larger portion of their income to attend the Nation's public universities over the last 2 decades as State spending for higher education has lagged behind. All of these trends are unhealthy for the future of educational opportunity in this country, says Patrick Callan, President of the National Center for Higher Education.

That is not a Democratic Senator. This is the president of the National Center for Higher Education in San Jose, CA, which commissioned the study with the support of the Ford Foundation and the Pew Charitable Trust. These are independent studies. These are independent studies, and still the administration stays the course and says, well, even in spite of this fact, we are going to even make it more difficult and more complex.

We reject that at the outset. I bring to the attention of the Members a response that Ari Fleischer had yesterday from the White House when he was asked about fixed versus variable rates. Mr. Fleischer's response:

Well, we are just going to continue to work with Congress to find a solution. The idea was always a voluntary one, never a mandatory one.

Mr. Fleischer better understand what this whole proposal is about because this is poppycock. What is mandatory, according to the administration, is they get the variable rate. What they are taking away from the student is the opportunity to take advantage of the low rate. It is still a live consideration, and I do not know who Mr. Fleischer is talking to in the Congress to find a solution.

He also makes reference to the fact about what the administration is doing

in funding and education. I, again, remind the Senate about where the administration is on its budget now and in the future on education. This year the President is requesting \$50 billion in discretionary appropriations for the Department of Education, an increase of \$1.4 billion, or 2.8 percent. That is what the administration is suggesting.

If we look at last year's budget conference report, on page 51, they outline the baseline estimates which do not reflect any specific policy except for defense. President Bush's budget authority for the year 2002—this report assumes that discretionary function levels grow by inflation.

What is that saying? That over the next 9 years, this is the Bush proposal on funding education: zero. This is what they say.

Now, we are shortchanging the children in this country. If we look back at this last year, primarily at the behest of the Democrats, we saw an increase in the elementary and secondary education. The proposal of the Bush administration is zero in the outyears and is now attempting to tamper with the interest rates to make it more costly. Now, that is an intolerable position for the Bush administration to have.

There is a failure to fund the elementary and secondary education adequately, and they are putting an additional tax on every family in this country sending their children to school. Sixty-three percent of the students who attend higher education are borrowing at this time. The average cost across the Nation is \$17,000. Every family, if their proposal goes forward, is going to pay at least \$3,000 more.

We are not going to tolerate it. It is difficult for many of us, who thought we were going to see a strong commitment in the area of education, to understand in a budget of over \$2 trillion why the administration has to target working families and middle-income families. I do not understand that.

They say education is important. They have over a \$2 trillion budget and they cannot find the funding in the areas of education. I want to let our colleagues know we are going to do everything in resisting this proposal. From an educational point of view, it makes no sense. From a national interest point of view, investing in education and our children is investing in our future.

I see my colleague and friend, the Senator from Michigan, who is doing such an outstanding job on bringing to the attention of the Senate the importance of prescription drugs. I commend her for her eloquence, persistence, and leadership in this area. I tell her that on behalf of all the people of Massachusetts. We are enormously grateful to her for bringing these facts to the attention of the membership. I hope she will address the proposal we had from the House Republicans yesterday on the issue of prescription drugs. I think myself it is more of a series of platitudes rather than a core program. They